



Highlights of [GAO-07-408](#), a report to the Ranking Minority Member, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

Through its Veterans Health Administration (VHA), the Department of Veterans Affairs (VA) operates one of the largest health care systems in the country. In 1999, GAO reported that better management of VA's large inventory of aged capital assets could result in savings that could be used to enhance health care services for veterans. In response, VA initiated a process known as Capital Asset Realignment for Enhanced Services (CARES). Through CARES, VA sought to enhance veteran care by the appropriate sizing, upgrading, and locating of VA facilities.

GAO was asked to examine the CARES process. Specifically, GAO examined (1) how CARES contributes to VHA's capital planning process, (2) the extent to which the CARES process considered capital asset alignment alternatives, and (3) the extent to which VA has implemented CARES decisions and how this implementation has helped VA carry out its mission. To address these issues, we analyzed CARES documents, interviewed VA officials, and conducted six site visits, among other things.

What GAO Recommends

GAO recommends that VA develop performance measures for assessing whether CARES is achieving the intended results. VA agreed with the report's findings and recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-07-408.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark L. Goldstein, 202-512-2834, goldsteinm@gao.gov.

VA HEALTH CARE

VA Should Better Monitor Implementation and Impact of Capital Asset Alignment Decisions

What GAO Found

The CARES process provided VA with a blueprint that drives VHA's capital planning efforts. As part of the CARES process, VA adapted a model to estimate demand for health care services and to determine the capacity of its current infrastructure to meet this demand. VA continues to use this model in its capital planning process. The CARES process resulted in capital alignment decisions intended to address gaps in services or infrastructure. These decisions serve as the foundation for VA's capital planning process. According to VA officials, all capital projects must be based upon demand projections that use the planning model developed through CARES.

A range of capital asset alignment alternatives were considered throughout the CARES process, which adheres to capital planning best practices. There was relatively consistent agreement among the Draft National CARES Plan prepared by VA, the CARES Commission appointed by the VA Secretary to make alignment recommendations, and the Secretary as to which were the best alternatives to pursue. Although the Secretary tended to agree with the CARES Commission's recommendations, the extent to which he agreed varied by alignment alternative. In particular, the Secretary always agreed with the commission's recommendations to build new facilities, enter into enhanced use leases, and collaborate with the Department of Defense and universities, but was less likely to agree to the CARES Commission's recommendations to contract out or close facilities. The decisions that emerged from the CARES process will result in an overall expansion of VA's capital assets. For example, the capital alignment alternatives the Secretary chose to meet future health care demand includes building 3 new medical centers and opening 156 outpatient clinics. In contrast, VA will completely close one facility. A number of factors, including competing stakeholders interests and legal restrictions, shaped and in some cases limited VA's range of alternatives considered during the CARES process.

VA has started implementing some CARES decisions, but does not centrally track the implementation of all the CARES decisions or monitor the impact such implementation has had on its mission. VA has begun implementing 32 of the more than 100 capital projects and 32 of the 156 outpatient care centers approved by the Secretary during the CARES process. Although VA has over 100 performance measures to monitor other agency programs and activities, these measures either do not directly link to the CARES goals or VA does not use them to centrally monitor the implementation and impact of CARES decisions. Without this information, VA cannot readily assess the implementation status of CARES decisions, determine the impact such decisions are having on veterans' care, or be held accountable for achieving the intended results of CARES.